

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6839

BILL NUMBER: SB 401

NOTE PREPARED: Feb 0, 2013

BILL AMENDED:

SUBJECT: Microbreweries at Trade Shows.

FIRST AUTHOR: Sen. Banks

FIRST SPONSOR:

BILL STATUS: CR Adopted - 1st House

FUNDS AFFECTED: X GENERAL
X DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill allows a microbrewery, with the approval of the Alcohol and Tobacco Commission, to participate in a trade show or an exposition for not more than 45 days in a calendar year.

Effective Date: July 1, 2013.

Explanation of State Expenditures: *Alcohol and Tobacco Commission (ATC)* - This bill could increase the ATC's administrative costs. The ATC will be required to approve brewer's permit holders' requests to participate in trade shows and expositions. The ATC may also need to amend rules and procedures governing brewer's permits, primary source of supply permits, and out-of-state brewer's permits. It is estimated that the bill's provisions can be implemented within the ATC's existing level of resources.

Explanation of State Revenues: *Impact on Alcoholic Beverage Sales* - To the extent that the provisions of this bill cause an increase in sales of beer by microbreweries, revenue from the Alcoholic Beverage Taxes could increase. However, an increase in microbreweries' sales could be offset by a corresponding decrease in sales by other types of alcoholic beverage retailers. Any impact on Sales Tax revenue is expected to be minimal, since an increase in alcoholic beverage purchases could be offset by a decrease in sales of other items subject to the Sales Tax.

Revenue from the \$0.115 per gallon Alcoholic Beverage Tax on beer is distributed to the state General Fund (\$0.04), Post War Construction Fund (\$0.0475), Enforcement and Administration Fund (\$0.0075), and Addiction Services Fund (\$0.02). Fifty percent of the revenue distributed to the General Fund is allocated to cities and towns based on population.

Sales Tax revenue is deposited in the state General Fund (99.848%), the Commuter Rail Service Fund (0.123%), and the Industrial Rail Service Fund (0.029%).

Explanation of Local Expenditures:

Explanation of Local Revenues: Local revenue will increase to the extent that a local unit receives distributions from the state General Fund, the Commuter Rail Service Fund, or the Industrial Rail Service Fund (see *Explanation of State Revenues*).

State Agencies Affected: Alcohol and Tobacco Commission.

Local Agencies Affected:

Information Sources: *Indiana Handbook of Taxes, Revenues, and Appropriations*, FY 2012.

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